Exhibit 2

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF MARYLAND

WILLIAM CARTER, *Individually and on Behalf of All Others Similarly Situated*,
Plaintiff,
vs.
COLONY CAPITAL, Inc.,
Defendant.

CIVIL NO.: JKB-16-3282

CINDY KESSLER, *Individually and on Behalf of All Others Similarly Situated*,
Plaintiff,
vs.
NORTHSTAR ASSET MANAGEMENT GROUP,
Defendant.

CIVIL NO.: JKB-16-3745

JACK BOOTHE, *Individually and on Behalf of All Others Similarly Situated*,
Plaintiff,
vs.
NORTHSTAR REALTY FINANCE CORP.,
Defendant.

CIVIL NO.: JKB-16-3742

Transcript of Proceedings
Before the Honorable James K. Bredar
Friday, October 27th, 2017
Baltimore, Maryland

Christine T. Asif, RPR, FCRR
Federal Official Court Reporter
101 W. Lombard Street, 4th Floor
Baltimore, Maryland 21201

APPEARANCES

For Plaintiff William Carter:

Juan E. Monteverde, Esquire

Yelena Trepetin, Esquire

For the Defendant Colony Capital, Inc.:

Tariq Mundiya, Esquire

Scott R. Haiber, Esquire

For Plaintiff Cindy Kessler:

Guri Ademi, Esquire

Yelena Trepetin, Esquire

For the Defendant Northstar Asset Management Group:

William M. Krulak, Jr., Esquire

For Plaintiff Jack Boothe:

James M. Wilson, Jr., Esquire

Yelena Trepetin, Esquire

For the Defendant Northstar Realty Finance Corp.:

Andrew Gendron, Esquire

Also present: Lawrence Dvores
Philip Robinson
Howard Hoffman

Christine T. Asif, RPR, FCRR
Federal Official Court Reporter
101 W. Lombard Street, 4th Floor
Baltimore, Maryland 21201

P R O C E E D I N G S

THE COURT: Good morning. Be seated please.

Mr. Goldsmith, you may call the case.

THE CLERK: The matters now pending before this court is Kessler versus Northstar Asset Management Group Incorporated, et al., civil number JKB-16-3745; Carter versus Colony Capital Incorporated, et al., case number JKB 16-3282; Boothe versus Northstar Reality Finance Corp., et al, civil number JKB-16-3742. These matters come before this court for a fairness hearing.

THE COURT: Appearances. Plaintiffs.

MS. TREPETIN: Good morning, Your Honor, Yelena Trepetin with Brower Piven, local counsel for all the plaintiffs.

MR. MONTEVERDE: Good morning, Your Honor, Juan Monteverde with Monteverde and Associates, counsel in the Colony Capital matter.

MR. WILSON: Your Honor, James Wilson from Faruqi and Faruqi for plaintiffs in the Boothe v. NRF, 16-CV-3742.

MR. ADEMI: Guri Ademi for the plaintiffs, from Ademi & O'Reilly, for plaintiff Cindy Kessler.

MR. MUNDIYA: Good morning, Your Honor. Tariq Mundiya from the Willkie Farr firm in New York for the Colony defendants in 16-CV-3282.

MR. HAIBER: Your Honor, Scott Haiber from Hogan

Lovells, I'm local counsel in the same case, the Colony case.

MR. GENDRON: Good morning, Your Honor, Andrew Gendron from Venable on behalf of the defendants in 16-3742, the Boothe case.

MR. KRULOK: Good morning, Your Honor, Bill Krulok from Miles & Stockbridge, on behalf of the NSAM defendants in 3745.

THE COURT: Thank you, gentleman. You may be seated.

Good morning, sir, you are Lawrence Dvores?

MR. DVORES: Yes, I am.

THE COURT: Did I pronounce your name correctly?

MR. DVORES: That's correct.

THE COURT: Okay. And Mr. Dvores you are an interested party here today, and are here in the status of an objector; is that correct?

MR. DVORES: Correct.

THE COURT: Good morning to you.

Mr. Robinson?

MR. ROBINSON: Good morning, Your Honor. I'm representing Mr. Hoffman as an objector today.

THE COURT: And good morning to you Mr. Robinson and --

MR. ROBINSON: Mr. Hoffman is sitting to my left.

THE COURT: Right. That's fine. You can stay there. Ordinarily, counsel sits further in and the client sits further out, but that's no problem. I've got it.

Okay. So we'll hear first on behalf of the plaintiffs why they think it is that the Court should go ahead and ratify this agreement. I will tell you at the outset, I have some concerns. Some are less specific and less strongly held and some are quite strongly held. In the former category, I'm most interested in hearing about how the coordination of plaintiffs counsel in the circumstances of this case, with these entities seeming to have distinctly different interests, at least at the beginning of the merger process, how that coordination doesn't give rise to a conflict on the plaintiff's side. But far and away my greatest concern with respect to what's been submitted to the Court is the total amount of the attorney's fees, which I'm unlikely to approve. But I will hear from the plaintiffs on that.

But make whatever presentation you wish. I'll hear from you first. We'll see if the defendants wish to speak before we go to the objectors.

MR. MONTEVERDE: Thank you, Your Honor. Juan Monteverde with Monteverde and Associates. And I'll start by saying, because we are coordinated, I will be speaking on behalf of all plaintiffs. I have also prepared a Power Point. I think Your Honor was given a booklet of it, that I will use

today to assist in this hearing.

Just for formality purpose, Your Honor, we're before you pursuant to Your Honor's July 10th, 2017, preliminary order --

THE COURT: Well, that suggests that you're not as prepared as I thought you would be, it wasn't my order, it was Judge Motz' order.

MR. MONTEVERDE: I apologize it was Judge Motz. You're actually correct. Sorry, Your Honor. And that's on slide 2, Your Honor. So we had 141,000 notices that went out. And we provide the breakdown of how they went on each action. And we only have two objections for NSAM and NRF, we'll be referring as such Northstar, as a management of Northstar Reality Finance.

I think I'll just go right on Your Honor's concern, because I think it's going to be more efficient than what I had anticipated presented Your Honor, if I may.

My firm Monteverde and Associates, me personally, I'm a former partner of Faruqi & Faruqi. I've been working with them for several years. I also have been working with Ademi & O'Reilly for several years. It's not unusual, Your Honor, to coordinate litigation. We've done that in a number of cases. And there was no conflict at any given time, Your Honor. Because this was a disclosure case. This was not a monetary case. We were concerned with the proxy statement.

And the proxy statement affected all three members of the class. And all three had to present or cast an informed vote. So I think that's really where we started the case and why there's no conflict whatsoever.

I think I understand the objectors to raise the issue that there are different prices and there's different claims on the price. Accept if I take a step back, this would be under a state claim, a breach of fiduciary duty. You would have a claim for price, if this were a cash deal. But this was a stock transaction for all three members of the transactions, for Colony Capital shareholders, NSAM shareholders, and NRF, they were exchanging shares. So there's no *Revlon* duty under Delaware law for stock deals --

THE COURT: There's no what?

MR. MONTEVERDE: *Revlon*, R-e-v-l-o-n, It's what's referred to as *Revlon* -- that's the duty to maximize shareholder value.

THE COURT: Yes.

MR. MONTEVERDE: And, similarly, under Maryland law, under *Laureate*, you don't have a duty either to maximize shareholder value when it's not a cash transaction. We were not suing on that any way, but let's keep that in mind. There was no claim where we could sue for price under fiduciary duty claims. I think that's a very important distinction, which gives rise to why there's no conflict and why coordination

made sense in this case. And each member of the class was entitled to cast an informed vote and needed to receive what we felt were essentially the efficient disclosures related to the projections. And that's what this case involved.

And we were before Judge Motz on a preliminary injunction or were heading towards a preliminary injunction that was set for December 1st, if I recall correctly, and we settled on the eve of that. And the injunction, Your Honor, was just for that, please disclose all material information related to the projections.

I'm not sure if I'm persuading Your Honor, but I think it's an important distinction, that this case could not arise a conflict because the claims didn't give for a conflict. And it was investigation of the case after we settled, Your Honor, after we settled each group conducted depositions and they took the lead for their respective class. So I took the depositions in the Colony Capital. And Mr. Wilson's firm, Faruqi, took the depositions for the NRF shareholders. And Mr. Ademi's firm took the depositions for the NSAM group.

And I can assure you if any evidence would have been uncovered, either group would have then not proceeded with the settlement. And this is not just lip service. I can tell you from personal experience, I've done that several times in the last couple years. I did that in Mavenir in Delaware Chancery

Court, after entering into a disclosure and therapeutic MOU. I uncovered some issues that gave rise to being able to recover money for shareholders. We blew our own settlement, or we walked away from our own settlement, to pursue damages.

I did that in Syntroleum with my old firm Faruqi & Faruqi, and with Ademi & O'Reilly in Oklahoma. We obtained disclosures, gave us the opportunity to then conduct discovery. And we uncovered information that we were able to use to pursue a case for damages. But those two cases, for example, had what I called earlier *Revlon* duties, duty to maximize shareholder value. That's not here, Your Honor.

And in one case that comes to mind, it's on one of my slides, slide seven. Corwin v. KKR, Your Honor, I mean, essentially shareholder rights are -- every day are getting extinguished by some of the recent case law being developed in Delaware Chancery Court. And essentially it says you can ratify an arm's length transaction if you disclose all the material information. So that defendants cannot get sued for damages after the transaction closes. That's the law on a state fiduciary duty case.

And Colony Capital, it's a Maryland corporation, but NSAM and NRF are Delaware corporations. And it would certainly apply to NSAM and NRF. And on Colony Capital, Maryland has pretty much adopted Delaware law. So I think it should also apply. And that is if the information disclosed,

and there's an informed vote, you cannot sue for damages. The only exception is if there's entire fairness. That's if it's a controlled transaction, which wasn't the case here. That's normally when the CO takes a company private.

THE COURT: How does this intersect with the agreement then for the bar going forward to future litigation? Are you saying that it really just flows naturally from law that would be governing regardless of your agreement.

MR. MONTEVERDE: Yes. And that's why we can easily give up claims because, frankly, there were no viable claims. And we conducted deposition to ensure there was nothing that could even arise to a potential argument for entire fairness, which can be the traditional procedure where you have a lead buyout, or it could be that someone is receiving a unique benefit, sometimes there's an exception that allows sometimes to argue entire fairness. And no conflict existed here.

This was a process where there were different bankers for each company. We conducted depositions of each of the investment bankers and of each of the directors for each board. And it was clear there was an informed board and there were no issues of conflict of transactions, for example, that were not disclosed or agreements -- consulting agreements that had not been disclosed, things of that nature.

I will even point out one of our earlier claims was that the Colony Northstar board was going to be excessive. I

think originally they had 13 board members, that perhaps was one of the angles we could have pushed for. But they mooted that, because they changed the board constitution. I forget the timetable, but it was a few months after the transaction was announced. They reduced the board to 10. So that argument that it was excessive and onerous went out the window and it got mooted.

There were no claims whatsoever that we felt could be pursued. On the federal side, the Exchange Act, the statute is -- its purpose is to ensure an informed vote. That's its purpose. And if you have the disclosure of material information done before the vote, which is what the statute tends to ensure, there's no damages that you can pursue after.

And the disclosures we obtained, Your Honor, were significant here. And I'll walk briefly through it, Your Honor. It's on page 11, 12, and 13 of my Power Point. What we had before we were involved essentially were revenues. Problem with revenues is it's just earnings, it's not profitability. You don't really know what profits are. And that's what we got. We got net income for each of the three companies. That is very important information. If the objectors don't appreciate it, that's not really the issue. Who does appreciate it is the market. Shareholders and the market appreciate that. That's how you value companies.

And frankly, honest markets can only be honest if there is adequate disclosure of material financial information. And that was really -- that was the purpose of the case, Your Honor. And the injunction we filed was from that issue. And they agreed to give us the information. And then they agreed -- and the reason you enter into a settlement is you can do two things: They could give information, claim victory and seek a mootness fee, if the lawyers are just thinking about making money, which is the angle objectors are advancing here today; or you can do the right thing and used that as leverage to say we'll settle the litigation but we want discovery, which you couldn't have.

On an Exchange Act claim you would have a mandatory stay, or a PSLRA until you defeat a motion to dismiss. And under the state claims, post close you're very unlikely to be able to survive. There would be no set of facts. Unless you had some information that could show egregious fact pattern with a potential conflict, we may be able to argue a unique benefit for entire fairness. You can only get timely documents. So that's a good position to be in as a plaintiff lawyer, because we're doing the right thing to make sure there's an informed vote. And we get access to discovery that otherwise no one would ever get. And that's what we did to ensure that we were not giving up claims that have value.

And objectors are not here today saying, Your Honor,

we have a claim that we want to advance. They're not saying that. At best they speculate that there could be claims, but no one is really identifying them. At heart they're upset with the attorney fee. And I hear Your Honor also thinks that's an unreasonable attorney fee. I submit to this Court, the attorney fee is well in line with other cases.

THE COURT: Other cases where what was achieved?

MR. MONTEVERDE: What's that?

THE COURT: Other cases where what was achieved?

MR. MONTEVERDE: Same result, disclosure of projections. For example, *Affymetrix,* which I know we cited in our brief and in our Power Point. *Douglas versus Witney,* that was in the Northern District of California last December, before Judge Orrick. I obtained an attorney fee of a million dollars there for obtaining projections and the disclosure of a conflict by the buyer investment banker. Very similar type of case.

The going rate for the disclosure only settlement for average disclosures, Your Honor, is $500,000. Projection cases tend to yield higher attorney's fees. DPL in Ohio Federal Court yielded $700,000. Tellabs in Illinois federal court yielded $750,000. Brightpoint in Indiana yielded $600,000. These are all federal cases. And here we obtained three sets of projections. You could argue that our fee should be $2.1 million, or $1.8 million in the aggregate. And

we're not asking for that. It's a reduced fee, frankly, Your Honor. It may sound high, but it's not. And our lodestar also supports that, Your Honor. I'm not sure what I can --

THE COURT: What relationship should your fee petition bear to our own local rule schedule of appropriate fees in --

MR. MONTEVERDE: We cited the --

THE COURT: -- in attorney's fees cases?

MR. MONTEVERDE: We cited -- I know it's in the briefing, we're in line with -- the name is escaping me, Lafferty matrix (sic), I think it -- the name is escaping me.

THE COURT: Yes.

MR. MONTEVERDE: Thank you. We're in line with those hourly rates, Your Honor. So I'm not sure that is different.

THE COURT: At $950 an hour.

MR. MONTEVERDE: That's the highest rate. The blended rate is $600, Your Honor. I think Mr. Faruqi's hourly rate is $950. He's an individual who has been practicing for over two or three decades and --

THE COURT: I saw paralegal rates in the 300s, unless I was misreading it.

MR. MONTEVERDE: Well, I know it's not mine, because I don't have paralegals that I'm billing for. But it could be

that it's Faruqi Faruqi, but I know that they have very skilled paralegals. I think they're all in line with New York market rates. And I think Your Honor can rely on national rates on these type of cases and you don't only need to focus on locality. That's -- normally judges do look at the national rates. I can assure you our hourly rates are less than the adversaries that we're fighting against. And courts have also used that as an indication of fairness of hourly rate of your opponent. I know defense firms of the caliber as these defense firms are in New York, do bill north of $1,000 an hour, some of the partners. That's not unheard of, Your Honor.

I don't think -- and the lodestar is just one aspect. I think precedent of other cases is more analogous to show what the benefit and the value of it is. We don't get paid more money, for example, in a projections case if we work 3,000 hours. Because courts have said projection cases are worth what they are. And typically it's around $6- to $750,000, in my experience.

THE COURT: Regardless of the size of the underlying entities that are parties to the merger?

MR. MONTEVERDE: Yeah, there's actually case law. We've tried to argue the opposite. We've tried to argue in a case like this, where the transaction of equity was $9 billion that the fee should be larger. And courts -- and I should say

this is mainly out of Delaware Chancery Court -- have said pretty much any entity above $100 million and on is going to have the same benefit on attorney's fees.

THE COURT: What's the total equity involved in the merger of the three companies?

MR. MONTEVERDE: 9 billion with a B, roughly was 3 billion each.

THE COURT: Okay.

MR. MONTEVERDE: So this was a large transaction, which is, again, I don't think the Court uses that, but I think that if the Court were to consider that, it emphasizes that the benefit was for a large combination. And there were over 140,000 notices. So that's how many people benefit from this information.

THE COURT: Let me hear from defense counsel.

MR. MUNDIYA: Good morning, Your Honor.

THE COURT: Good morning. Talk to me about the disclosures that your opponents persuaded you make that you weren't evidently previously inclined to make in order for all of this to go through.

MR. MUNDIYA: Your Honor, they -- they obviously filed a lawsuit, they filed an application for some interim emergency relief seeking disclosures about the projections and the core FFO and a bunch of other things. And they were pretty aggressive about those disclosures. We decided that it

made sense to expand those disclosures because we didn't want the risk of an injunction. This was an important deal, I think, for all of the defendant corporations. And the risk of a injunction simply wasn't worth it.

And it -- these disclosures, we could readily make. We had them. We didn't think we had to make them in the first instance. But given the risk of an injunction, a small. Risk to be sure, but a risk, that it wasn't in the defendant's interest to take that risk. And we decided to go back, look at what else we could put in the proxy statement and made the supplemental disclosures.

THE COURT: So you're in a complicated spot here, as counsel in your position frequently are. You want the settlement to go through.

MR. MUNDIYA: We do. We do.

THE COURT: Your principals have committed to it. And I understand that completely. But I have separate responsibilities.

MR. MUNDIYA: And --

THE COURT: And in pursuit of those, I have questions, to which I need candid answers from you as an officer of the Court. And I know you'll provide them.

MR. MUNDIYA: Absolutely.

THE COURT: How bad of a fight was it really to persuade you and the others to turn over the information? It

strikes me that it wasn't much.

MR. MUNDIYA: It was a few days of --

THE COURT: Yeah, a few days. That's what the calendar would suggest.

MR. MUNDIYA: You're absolutely right, Your Honor. It was a few days of negotiations. There was a lot of back and forth on the issue of free cash flows. They insisted on those. We pushed back. There was -- it was a few days, very candidly, Your Honor. There was a few days of pushing back. And Mr. Monteverde may get to this, with respect to one of the other defendants there was some disclosures with respect to the discount cash flow analyses by the Goldman Sachs firm. That didn't involve our clients. But that raised issues. And there was a lot of back and forth on that issue, which didn't involve the current defendants. But it was a few days of hard fought negotiations.

Thereafter, Judge, once we entered into the settlement agreement, there was extensive discovery to be sure. There were depositions of our bankers, of our directors. So Mr. Monteverde is correct on that score, that they did do a --

THE COURT: They did their diligence.

MR. MUNDIYA: They did their diligence. They did their diligence.

THE COURT: And tested the representations.

MR. MUNDIYA: Right. Right. And they tested the viability of a potential claim for price. And they asked the directors, what else did you do? What other things did you look at? What valuations did you see? I mean, they asked the type of questions that they normally ask. But, you know, we support the settlement. We think it's fair. We think it's reasonable.

But to answer your question directly, there were negotiations. This is not a collusive settlement by any means. They pushed. We pushed back on some. And we came to a meeting of the minds on the disclosures you see before you.

THE COURT: I appreciate it. Mr. Dvores, do you want to speak first or Mr. Robinson do you want to speak first?

MR. ROBINSON: I will defer to Mr. Dvores.

MR. DVORES: Thank you. So, Judge, I would like to continue on your first thought that this case represents a conflict where attorneys are representing two or more of the parties where they should have only represented one. And the excuse given that we have some joint interests in disclosure is not enough to overcome the fact that the individual shareholders in each of these individual companies had directly -- had direct interests which conflicted with the shareholders of the other two companies. It's already stated

in the complaints that were made by each of these parties that each one was representing someone, some group of shareholders, and they thought that their company was in a stronger financial position than the other two companies.

So let me quote from their complaints. This is from the Boothe Northstar Reality Finance Corporation complaint. The proposed transaction is not in the best interest of NRF shareholders. The merger -- quoting, the merger consideration fails to adequately compensate NRF's stockholders in light of the company's recent and historical performance and strong growth prospects, as shown in NRF's stock chart for the year to date. Despite NRF's strong stand alone prospects, the board has agreed with a three-way merger of purported equals, in quotes, with Colony and NSAM. If the proposed transaction is consummated, NRF's current shareholders will only own 33.9 percent of the combined share entity.

Furthermore, if the proposed transaction is consummated, NRF's executives will receive significant amounts in executive compensation, money which otherwise would have remained in the coffers of the combined company. In sum, NRF is well-positioned to generate significant earnings in the foreseeable future. Despite NRF's bright financial prospects the board now agreed to combine the company with two potential weaker entities and without obtaining an adequate premium for their company's stockholders. It is therefore imperative that

NRF and the stockholders receive all material information concerning the proposed transaction, so that they may properly evaluate whether or not it is in their best interest --

THE COURT: So even at the end of the day, even at that high water mark of when they're drafting their complaint, the petition, the request, the demand in the lawsuit is for disclosure.

MR. DVORES: Right. But the disclosure here is limited to the information that's contained in their notice that was sent to shareholders, it was filed with the SEC. There may well have been other issues to have been disclosed. But these plaintiffs' attorneys weren't interested in other issues. They weren't interested in the issue of breach of fiduciary duty. They said they wouldn't file under Delaware law. They didn't want any part of looking for breach of fiduciary duties.

Well, in fact, their complaint, in between the lines, says there's a breach of fiduciary duty, in that the executives of this company were getting undue compensation as a result of this merger. So there was a breach of fiduciary duty. Or at least there is a colorable claim of that. And that's going to be extinguished if this settlement goes through.

THE COURT: Tell me what you think about the fees that they're seeking.

MR. DVORES: I'm not really competent to talk about fees, because I have no experience with billing. I was a legal services attorney, we never charged for our service. However, it seems to me that there's a lot of duplication of effort in this case. If you look at the complaints that were filed by each of the plaintiff parties as class members --

THE COURT: Maybe the fact that there's all that duplication reflects -- maybe that reflects on your first argument as to how -- the extent to which they were looking after their separate interests.

MR. DVORES: Well, my -- the way I read it is each of those complaints made an identical statement about the separate interest of the particular group of shareholders that they claim to be representing. But they never pursued those claims of inadequate compensation, which would result in a better ratio of shares that were going to be given in the new company, to their particular group of shareholders.

They never pursued that. They only pursued the issue of disclosure. And the disclosure was limited to, as Mr. Monteverde was saying, this very interesting but very complex issue of cash flow accounting, EBT accounting, all these various measures, all of which are used. But you single out and you want to use this one. Or if it wasn't disclosed you should have used it.

Okay. But the point is they didn't pursue the

claims that they could have pursued in terms of other matters. They were only focused on this one issue. And this was the end of it. I'm saying to you, that because they were united, they never got to represent their clients independently as they would have been if they weren't united. And that's the issue for me, that there's that conflict of interest that these attorneys just ignored. This is basic.

THE COURT: Thank you, Mr. Dvores.

MR. DVORES: And if I may say something --

THE COURT: Yes, sir.

MR. DVORES: On the notice itself, the SEC filing was done December 9th, 2016, the shareholder vote was done on December 20, 2016. The filing of the notice was really not effective notice to the shareholders. That notice really is given by the brokerage firms, which hold the stock in street name, which then do a mailing of the notice to the shareholders. So, in fact, there was really no notice given here.

THE COURT: Well, what does the case law say, though, about notice to brokers?

MR. DVORES: You know, I don't know the case law. All right. I'm simply saying practical notice. All right. There may be legal notice. But as far as if you're going to rely on legal notice, you're relying on a fiction, because it's never going to get to the actual shareholders who have to

vote. You're doing all of this to benefit the shareholders and yet you're doing it in a way which doesn't benefit them --

THE COURT: But the shareholders have made the decision about how they want to acquire and hold the stock; right?

MR. DVORES: Actually, they don't. Because under the present way that stocks are bought and sold, everything is done by broker entry and it's held in street name. There's no registered stock anymore. And I happen to be a stockbroker. Okay. So, in fact, they had to rely on distribution by way of brokerage firms, clearing firms, to get this notice out to the individual shareholders. All of which takes time. It takes weeks.

It took weeks for the notice of this proposed settlement to get to me, to Mr. Hoffman, to all the other shareholders. It doesn't happen that quickly. But all I'm saying is, if you're talking about this notice being so material, it wasn't in fact actually delivered to the people they say that they were intending. The only way that they could have done it, if they were really serious about getting notices out. They should have made arrangements with the defendants to delay this -- the merger vote. Maybe then there could have been a chance for this information to get into the hands of the stockholders. But to give it just the time from December 9th to December 20th doesn't mean anything. It's not

going to work.

Beyond that, when you get your notice of the merger, and your right to vote on it, you get it months before the actual merger vote. Most people when they get it, if they're going to do anything with it, they're going to do something with it that time they get the notice. Many people, therefore, who got the notice, much earlier, entered their vote. They didn't wait for the last week to enter their vote, they entered their vote when they got the original proxy statement and notice that there was going to be a vote on the merger.

The question I would ask the plaintiffs attorneys is, how many votes were changed after the date of December 9th? How many shareholders wrote in or otherwise notified the proxy agents that they wanted to change their vote?

THE COURT: Which way would favor your argument, a lot or a few?

MR. DVORES: Very few.

THE COURT: Well, Mr. Monteverde, you get the opportunity to answer that question and respond to the other points that Mr. Dvores has made before we turn to Mr. Robinson. Go ahead.

MR. MONTEVERDE: Sure, I will. I think we have a little bit of a disconnect on really the law. Let me start with the notice issue, I guess. The disclosures need to be

made pursuant to Securities and Exchange Commission rules 10 days before the vote. We did it 11 days before the vote. That's the law. They don't get mailed. They get disseminated immediately through a filing of a form 8-K with the Securities and Exchange Commission. We're operating in efficient markets. That information is captured in the market the second you file it. And that's what is using for shareholders to casting for votes. Because what shareholders look at is how the price of their stock gets effected.

From personal experience I can tell you, if you disclose valuable information, the price will be affected. It happens. It's not something that happens regularly. But that's the kind of markets we live in. So I think there's a disconnect of what's required. Everything done here was done as the law states. So arguing that should be differently, well, that's not the law. And we follow the law. And the Court has to follow the law.

The mailing of the notice, I think there was confusion. That's the settlement notice. That was also mailed pursuant to what courts have approved in the past, which goes to brokers, as Your Honor was discussing with Mr. Dvores, that was done here. There were over 141,000 notices. So the filing was done the same way it's done in every transaction that has been done in the past, that has supported approval of settlement in every court in this country, federal

and state. And in every case that we cited to Your Honor, I think page 22 and 23 of my Power Point. That's just the way it's done. We follow the law.

As to the claims, again, I wish I could walk into a courtroom and say, Your Honor, price is not fair and therefore I can defeat a motion to dismiss. That's not the law. I mean, I would wish for that. You actually have to have liability. And we are actually pursuing right now a case like that in Rockville, Maryland, in front of Judge Rubin, the American Capital litigation. Which we ended up just settling actually a couple weeks ago and recovering %17.5 million for shareholders. I like those cases, Your Honor. I get paid much better in those cases. I have an incentive to find viable claims. And my history shows it that, one, I know how to find it and that when I find it I pursue it.

So the notion that there were claims is just erroneous. Legally there were no claims. We didn't file a claim for state law, and this recitation of facts, that the -- you paint a picture when you draft a complaint. That these companies could be more valuable and that's why you need the projections. You tie things together. That's what we do as lawyers. It's not every allegation in a complaint is actionable. It's what you use to draft a complaint in order to demonstrate to a court why you want information you were asking for. In this case we wanted projections so we could

assess the value of each entity.

There was no conflict. Just because we were coordinated doesn't mean that if one of us thought there was a better case we would not pursue it, of course we would. We're officers of the Court, as the Court pointed out earlier, we have an obligation. But more importantly, we have an incentive. We do a lot better if you can find a viable claim for damages.

I think those were the two highlighted points I noted. I don't know if --

THE COURT: I think you've addressed them. Thank you, Mr. Monteverde.

MR. WILSON: Your Honor, can I just --

THE COURT: Yes.

MR. WILSON: James Wilson of Faruqi for -- I think it was --

THE COURT: You can just go to podium there, Mr. Wilson.

MR. WILSON: Just very briefly. I just wanted to touch on --

THE COURT: Yes, sir.

MR. WILSON: I just to assure the Court that at all times plaintiffs counsels' loyalties were to the shareholders they represented in each of the cases. We filed originally in the Colony case with Mr. Monteverde. A shareholder came to

us, we later filed in the NRF case. We represented solely the NRF shareholders in that litigation. That was formalized in the preliminary approval order where my firm was appointed class rep -- class counsel for the NRF, Monteverde was appointed class counsel for Colony, and the Ademi O'Reilly firm was appointed class counsel in the NSAM case.

That is the formalized -- formalization of the reality that there was no actual conflict, Your Honor. Our loyalties ran to each of our class members. And that is how we conducted ourselves in the litigation. I just wanted to emphasize that and address Mr. Dvores's argument on the conflicts issue. And I believe the Court recognized that in the records that we submitted we devoted our time to investigate the claims, with respect to the release, for the NRF shareholders. And each firm did the same thing. Thank you.

THE COURT: Thank you, Mr. Wilson.

Mr. Robinson.

MR. ROBINSON: Good morning, Your Honor.

THE COURT: Good morning.

MR. ROBINSON: If I may, I'm just going to address a couple issues that have already come up. And then sort of summarize a couple issues that were in Mr. Hoffman's objection, but not repeat the entire objection.

THE COURT: Right.

MR. ROBINSON: So if I understood sort of correctly the chronology of the litigation after it commenced through this interim period, the supplemental disclosures, it sounded as if potentially there were damages initially, but those claims went by the wayside. And Mr. Monteverde explains that he -- after their investigation there are no damages. So clearly the fundamental question, if there are no damages, does the Court even have jurisdictions? The Court's a limited court. It's true the state court might have jurisdiction. But if we're just talking about what, in essence, if I'm just sitting back and listening to that argument, it's an informational case.

And as the Court is aware, and Mr. Hoffman didn't object on this basis per se, I'm just raising it listening to the argument, Your Honor. I just sort of wonder whether or not the Court even has jurisdiction over what the plaintiff's counsel has argued this morning is essentially an informational case at best. Without even getting to the merits about whether the information was valuable and all that kind of thing. So that's sort of one thing I would say.

And then they say quite clearly, if there were no claims they would have pursued them. Well, on that point if there were no claims, why is the release -- Mr. Hoffman did talk about in his objection -- why is the release there? They're releasing all sorts of potential claims. We don't

know, we haven't articulated what potential claims might exist. But it sort of is counter-intuitive to the argument there was nothing here to pursue damage-wise, but we're going to agree to a settlement bar. It's a non optout settlement that they present to the Court and the classes.

And they -- but the defendants -- and I understand why the defendants want it, it's a good thing. And you know, Your Honor, the few cases that I've had before Your Honor on a class-wide basis, there's benefit to defendants to getting rid of uncertainty. But here you have what is, in essence, at best, an informational claim. And whether that's meritorious or not, don't need to get -- I don't need to get into. But if the claims had no value, then why is there a broad release for the defendants?

THE COURT: By the same token, the point that you make with respect to the defendants, and what their incentive might be here, and why they might be more passive than others might suggest they should be in the circumstances, what about a view that the same principle applies to the vast majority of those who are in the class, and that it is in their best interest too, and accordingly, I've only got two objectors here.

MR. ROBINSON: I'm going to get to that point in a moment. But let me, before I get to the notice of the class and the number of objectors that are here, Your Honor, let me

just make clear for the record, I cast no dispersions on defense counsel. And what a defendant typically wants in these cases, they've achieved in their settlement agreement, which is bar. But the point I was just trying to make is, if there are no damages, as plaintiff's counsel has articulated, that can be compensable in this case, then why is that a negotiated term of the settlement? The first step that the Court has to consider today --

THE COURT: If that is such a problem, though, where is my prairie fire? Where's my outrage among shareholders?

MR. ROBINSON: Let me --

THE COURT: Where's the revolution?

MR. ROBINSON: Let me address that, Your Honor, as best I can, based on the record they've created. So Judge Motz gave preliminary approval.

THE COURT: Yes.

MR. ROBINSON: Judge Motz said in the preliminary approval order, that they prepared for Judge Motz to sign, that notice shall go out no, I think, less than 60 days before today's date. They filed an affidavit just a couple weeks ago saying, at least as of October 16th, they're still sending out thousands of notices to class members.

So the answer to your question, Your Honor, is partly sort of the first question that I think you have to address before you get to the attorney fees, was the

settlement fair, reasonable, and adequate. And I think the notice in and of itself, and the problems with the notice that they've provided testimony to the Court about, bear out the class members don't know what's going on. They weren't sent the notice timely. And maybe there's a structural defect in how the investments are held and who initially got the notice and did they get the other addresses.

But they never once, Your Honor, came back and asked the Court, Judge Motz or Your Honor, or any other judge, to modify the settlement agreement, to change the date, to change the notice to say, hey, we're having problems identifying all the class members. Instead they kept sending out notices. And I understand that's maybe in good faith. But the notices, under their sworn testimony, thousands of them were just a couple weeks ago, after the objection deadline. The objection deadline, according to the Court order, was in early October.

So you know, to the extent that there's not a lot of objectors here, I don't think that -- that sometimes is indicative of a reasonable settlement. There is an inference and there's a body of case law --

THE COURT: Ton of case law that backs up that principle.

MR. ROBINSON: Right. And here we have, by their own sworn testimony, thousands of notices sent out after the bar date. And it's pretty clear in the settlement agreement

and the notice, if you do not timely object you will not be permitted to appear at court. Now, when I'm before Your Honor on that table over there, I always invite the class members to come up whether they objected or not. But that's -- they don't put that kind of language in our settlement agreements and in the orders of the Court. But the messaging that went out to the class was late, that went out to the class late without approval of the Court late, was if you don't get it in on time you're not going to be able to be here.

THE COURT: Yeah, but if we afford a modicum of intelligence and energy to the fellow class members, we can reasonably expect that they would raise exactly the point that you're raising, which is wait a minute, the objection deadline was X, and I didn't get notice until Y. Y came after X. I'm not sure how much of an inference I should draw from the fact that there's silence in the face of that. My experience, frankly, is to the contrary, people got beefs, they tell you about it.

But nonetheless, I've heard the point. I'll go back to Mr. Monteverde and raise the question with him about notice and its adequacy, and what inference should be drawn from the fact that there are only two objectors here, when there was evidently a less than perfect process of notification.

MR. MONTEVERDE: Thank you, Your Honor. The process was perfect, it's the way that process works always. I think

what they're complaining is something that there is no legal complaint to be had. That's with their brokers. And that's what the law requires and that's what we did. The notice was sent when it's required to be sent per Judge Motz' order. If then other notices aren't forwarded by brokers in a timely manner, that's not our fault. And frankly, Your Honor, they got the notice, we have two objectors here.

THE COURT: What do you say to his point that he contends that you have acknowledged that you were still sending notices --

MR. MONTEVERDE: No, those are forward notices.

THE COURT: Okay. That's what I'm trying to nail down is whether or not those originated with your servicer or whether that is something that's downstream.

MR. MONTEVERDE: It's downstream. It's nothing nefarious. This is how every case -- we used a reputable notice administrator that has done these types of cases, that has been approved by federal courts across the country. The law supports it. And the notice was appropriate. And the fact that you only have two objections out of 141,000 notices that were mailed shows support for the settlement.

But the bigger point is, I keep hearing is, the damages. This was not a damages case because it was an Exchange Act claim. And maybe there's a misunderstanding of the law. But that's what we sought an injunction. And one of

the things I need to say when I file an injunction, Your Honor, and Your Honor knows this, I have no remedy in law for damages. That's called irreparable harm. I said that in my motion to Judge Motz. I mean, we're just arguing about something that is just not realistic or supported by law.

THE COURT: Thank you, Mr. Monteverde.

MR. MONTEVERDE: I wanted to clarify that. Thank you.

THE COURT: Thank you very much. Mr. Russell -- or Mr. Robinson, I'll let you finish up. And Mr. Dvores evidently wants to get in something on this point as well. I'll hear from him.

MR. ROBINSON: If I may just add, Your Honor. In the affidavit that they presented to the Court on October 19th, 2017, it says in paragraph 5, that's document 22-1 in the 3742 case, from August 29th, 2017, to August 16th, 2017, GCG, I think that's the provider they used, Your Honor, received from the nominee holders 57,487 additional names and addresses of beneficial owners of NRF common stock. They're testifying -- basic due process in a class settlement, you're asking the class members, and the absent class members who Mr. Hoffman has also objected on behalf of, to waive their claims, but they didn't -- they've acknowledged.

Now, I understand that maybe the process in the securities case is little different for getting notice to

people. But shouldn't they have thought of that, Your Honor, to preserve due process, and the rights of the absent class members, when they ask for the particular timetable that they ask for, if they knew that they were going to have to get addresses after the fact, additional addresses and send out notices to people who didn't get it, after the fact, then perhaps they should have asked for more time. But you know, I point out again, Your Honor --

THE COURT: Let's just nail that down. Mr. Monteverde, please explain?

MR. MONTEVERDE: This is the standard schedule that has been approved a thousand times before. And has been found to be legally acceptable for due process. The Supreme Court has accepted --

THE COURT: That's fine, but rather than tell me that, tell me the mechanics of what happened with respect to the notices. What is this additional time period during which your administrator was reporting they received additional addresses from you and then mailed out. What was that about and when did that occur?

MR. MONTEVERDE: Well, I would have to first of all say we don't handle the notice, the notice is handled by the administrator, which works with the defendants to get the record list. My understanding is they get the list and that's where your notices go out that you're required to give

legally. That's a professional courtesy, you then forward additional notices that brokers request, but that's not required under the law. We don't have to do that. That's what the --

THE COURT: So the initial notices that were sent outside the 60 day time period, and I'm going to ask the defendants about this in a second, did occur?

MR. MONTEVERDE: Yes.

THE COURT: It's just that in most instances that's not going to the ultimate beneficial owner of the stock.

MR. MONTEVERDE: Right.

THE COURT: It's going to the representative, it's going to their broker.

MR. MONTEVERDE: And nowadays most brokers, for example, most individual have internet accounts and they get those notices immediately via e-mail, for example, there's people that still want it forward. But the law requires the record holders be given notice. And the fact is we have objectors. And I can tell you, I can represent to the Court we haven't received any late objections, which the Court could still have considered. I haven't received any phone calls saying, we're objecting, or we want to object, we just received the notice, which was the -- all the notices have been delivered. I mean, we're arguing over something, again, that there's no legal ground for it, Your Honor. This is

acceptable procedure --

THE COURT: Let me hear from Mr. -- how do I say it Mundiya.

MR. MUNDIYA: Mundiya, yes, Your Honor. Your Honor, this is typical. In terms of the mechanics, you nailed it. Basically the notices go out, in accordance with the judge's order, after the 60-day period. Then the nominees say, okay, these are the people -- these are the names and addresses that we have, you may want to, you know, you have to then submit additional -- those notices to these names and addresses. But in terms of the due process issue, what the law requires is that those notice get mailed out to the only entities that we have visibility to -- on rather -- has visibility on, which is the nominees. And we rely upon those nominees to tell us names and addresses.

And then Garden City, which is a very reputable entity that does this, you know, has done this for us in thousands of cases, hundreds of cases, you know, this is the way it happens. And it's only because we don't have visibility into who those shareholders are. And once we get that information, once Garden City gets that information, those notices then go out.

THE COURT: I got it.

MR. MONTEVERDE: One point I want to make, Your Honor, and I think is important. The form 8-K we had issued

also on December 9th disclosed this litigation --

THE COURT: Are you talking about the 8-K?

MR. MONTEVERDE: Yes, back then.

THE COURT: Yes.

MR. MONTEVERDE: So that's more notice that shareholders know there is ongoing litigation. I can assure you that when you have shareholders who think a case should be settled for different terms, or there should be a claim pursued, those lawyers out there, like myself, that practice in this space, will start getting involved. So there's also constructive notice. I'm just saying, people knew about this case. This is not like a -- we're not trying to hide anything. But I will echo Mr. Mundiya, we follow process as required by law as well.

THE COURT: Mr. Robinson, what else did you want to cover?

MR. ROBINSON: Just in sum on that issue and then I have one other minor issue, Your Honor, to summarize for today. And that issue, the issue that I'm raising, is due process in this case. Not due process as to the notice that went out, the supplemental notice. Due process for this case, you're asking the class members who cannot opt out, who did not get the notice within the Court ordered time. And according to their proffers --

THE COURT: But they did get the notice.

MR. ROBINSON: Well, according to their proffers, they understand the system is they sent them to the first person that they knew. But they also know from their experience that they would get supplemental addresses for people like Mr. Hoffman, who would get -- then they would resend or they would send the notice out to Mr. Hoffman again. I'm just saying, Your Honor, under due process principles, they know that outcome is inevitable, why condense this down to such a short time period?

Moving on, if the Court finds that the settlement the fair, adequate and reasonable, then you can get to the attorney fee issue that you brought up. And the only issues I would raise there --

THE COURT: I so find it was fair, adequate, and reasonable. And now I do want to get to the attorney's fees, because I think that's the issue today.

MR. ROBINSON: The three things, not to repeat what was said earlier -- or four things that I would just point out. I don't believe that this Court has recognized the Laffey matrix as the correct thing. It might be used on a cross check, Your Honor. But the first step that most -- that Your Honor, I believe looks at and your colleagues look at, are what the Appendix B says in the local rules for reasonable rates. They've sought attorney fees for attorneys who aren't entered into the case. They appear to be duplicative entries.

And we think that they're seeking excessive fees for nonattorneys in the case. And we just we think it's grossly excessive, the number of hours for a case that really didn't exist very long. Not much work was done in the case. There was no dispositive motions filed or anything along those --

THE COURT: How reasonable is it for the Court to also look at what was ultimately accomplished through the lawsuit?

MR. ROBINSON: I think under the *Johnson* factors you can consider that, Your Honor. They address some of the *Johnson* factors, I believe in the case. But, you know, so you can look at in terms of the -- I believe the case law is, and under the *Johnson* factors, you can look at their reasonableness of the attorney fee award to the outcome that was achieved for the class. Remembering again the outcome here was a supplemental notice for claims that may not have had any value. And I'm not sure that there's anything really before the Court to quantify what the value of that notice is.

THE COURT: Well, that's a really hard problem; isn't it?

MR. ROBINSON: Correct.

THE COURT: But on the other hand, if we didn't think that disclosure had value, I suppose we wouldn't require it under our extensive legal apparatus for regulating the

securities industry, would we. So it must have some value.

MR. ROBINSON: Unless the Court has any other questions for me that summarizes what I wanted to present to the Court.

THE COURT: I started to get into the metaphysical and that's when you wanted to sit down, Mr. Robinson. Okay.

Mr. Dvores, you want to say something about the fees?

MR. DVORES: I want to say something, yes. Not necessarily limited to what he said about the fees.

THE COURT: Well, the only topic that's on the table is the fees.

MR. DVORES: All right. You said before, and he made the point, that this case turns a lot on the fact that there are only two objectors that have come forward here. And somehow that means that the other parties are not interested, because the other parties didn't see any issue here. Well, let me just quote or cite one case that I was personally involved with, where there were 112,000 -- it was a federal case in U.S. District Court, Southern District of Manhattan, New York.

There were 112,000 notices mailed out in this case, In re: Tower Group International Litigation, it was a merger case. It was only one objector of the 112,000 notices that were mailed out, that was myself. As soon as I got involved

with the case and filed my objection, somehow the attorneys got together with the defendant attorneys and they reduced the claim from $395,000 in attorney's fees down to $250,000. The Court said, sorry, I have to look at it myself. I'm not persuaded by what you have consented to among yourselves.

The Court then reviewed all of the disclosures and found that under the Court's finding they were of marginal value. They were not corrective of anything. And determined that -- reduced the fee down to $75,000 for -- and this was two sets of attorneys, one Robbins Arroyo from California, the other one Rice Law from New York City.

I still thought that was excessive in the situation, because I had found in the course of doing my research that there were SEC filings that showed that this company that had been acquired and which the plaintiffs attorneys were claiming had received inadequate compensation for the shareholders, it was phony. There was filings that showed that this was a failing insurance company. It was going out of business basically. And they had said so in filings.

I had filed an appeal with the 2nd circuit. After I filed my brief the plaintiffs' attorneys came to me, I never said anything about settling. I wanted to see this case through. They said, you won, we can't argue with you. And what will you take for your time? I said, I don't want anything for myself. Well, they said we're going to give back

the $75,000 and dismiss the case. It will be moot. The 2nd Circuit will have nothing to decide on, the case will be dismissed. So I said, okay. I took half of the money, $37,500 for charity.

This shows nothing, the fact that it's only two people that wanted to object. The fact is, if this case doesn't involve money, which it doesn't, most people when they get this notice, when they look at how complex it is. When they look at the fact that it says NSAM on it, and their case involves NRF, they're going to say what's this all about and throw it in the wastebasket. When they do read it, if they did, they'll find that the accounting business is so complex they can't understand it. They need help. But by golly, they don't have help. Because it's all over. There's two -- it's just too expensive and too soon for them to react.

And to file an objection takes some degree of time. I can tell you. And I'm a former attorney -- I am an attorney, I'm retired for 35 years. So I don't really know anything about the modern law. But I do know some modern concept -- some old concepts of fairness. And pursuit of your fiduciary duty to your client. These attorneys took this case and shaped it into a disclosure case under the federal law, when they could have taken the same facts and shaped it into a breach of fiduciary duty under Delaware law, because they said -- in their own complaint there's a question of excessive

compensation, taking advantage of the share owners by management. This is all common place stuff that happens all the time. But they never pursued it. And that's the question I have.

THE COURT: Thank you, Mr. Dvores.

Mr. Monteverde, let me tell you that where I end up on this is actually in a very different place from where the objectors are. My view is I don't think there was much here from -- on the plaintiff's side. And I think you pursued a resolution of the dispute. I think relatively quickly. You achieved one. You had defendants that had every incentive to remove impediments and to get their deal done. And I, in looking at the total picture here, don't see that there was some enormously tall or difficult mountain that was climbed.

Not that you're not, obviously, capable of that. I'm sure that you are. You've done a fine job here this morning representing the -- your interests. And those of the -- your clients. But at the end of the day, it's going to take some Herculean effort on your part and that of your colleagues to persuade me that this is a million dollar fee case. Have at it.

MR. MONTEVERDE: I don't think it's a hard thing to do, Your Honor. Maybe it's because I'm a finance person before going into law. And I understand how this is very important for financial markets, Your Honor. I'll make a

quick point, not to start telling tales. Just two weeks ago I was before the 9th Circuit. I'm trying to change the law on tender offers, 14(e) statute, because the standard is scienter, I believe it should be negligence. So I believe in what I do Your Honor, and my record shows it.

The markets without projections, the stock is worthless. And defendants sometimes fight very hard, because they want a deal to go through to preserve employment, or because they have a buyer that they think the CO will get a job with, and they don't show the projections. Or what they do, and we have experience handling those cases also, they change the set of projections six months before the deal is reached. They just lower expectations.

Projections is what makes the stock market work, Your Honor. And that's why we're entitled for multimillion dollar fee. The reason why I'm not asking for a multiple million dollar fee, because there were three sets of projections, and I would argue under *Affymetrix*, the *Douglas versus Witney* case that I just did in the Northern District of California last year, I got paid $1 million. I would say I should be getting $3 million. One for me, one for Mr. Wilson, and one for Mr. Ademi.

And I was ready to walk into court asking for that. I had a negotiation with Mr. Mundiya. Who I've had him as an adversary and we've had fights in the past. So it's not like

we're best friends. And he has no incentive whatsoever --

MR. MUNDIYA: We're not friends.

MR. MONTEVERDE: We're not friends. -- has no incentive to overpay me. The negotiation --

THE COURT: Well, he has every incentive --

MR. MONTEVERDE: No he doesn't.

THE COURT: Absolutely he does. To close his deal.

MR. MONTEVERDE: No. You know what he has an incentive to do? And that's what we did here, Your Honor. We reached a settlement without a fee number. Mr. Mundiya and I were negotiating the fee until the day the notice had to go out. That's why there was that supplement to the back. To the last minute we were negotiating. He didn't want to pay me, I wanted 3 million. And I'm not going to get into the back and forth, it's inadmissible and it's irrelevant. But we had a deal, and the disclosures already done. We had a deal that I was going to give him a release because I already conducted discovery and so did my colleagues, without agreement on the fee.

I can assure you they had no incentive whatsoever. The reason they agreed to a number is because they knew I would come into this court, with all the cases on my slide, 22 and 23, and show Your Honor exactly identical cases paid a lot more than $4- or $450,000. The reason we're asking for 450,

and Mr. Ademi is asking for that, instead of 400 like the rest, is because they had the Goldman error, so they deserve a little bit more money. But I think Your Honor is thinking, well, it's a $1,250,000. Yes, but there's three cases.

THE COURT: Yeah, but is it three cases and should it be treated that way?

MR. MONTEVERDE: No. They are three cases. We were coordinated. This happened in Atlas Energy. Atlas Energy was with Atlas Pipeline, we're doing a combination. And there were, I think, four or five law firms in there, in both. And I think the fee paid there was $1 million. $500,000 for Atlas Energy, $500,000 for Atlas Pipeline. Here we're getting paid less. And that was in state court in Pennsylvania, which is a very difficult jurisdiction on a contested fee. In federal court it's easier for a plaintiff to get paid for an Exchange Act claim.

And defendants have an incentive not to pay. And, Your Honor, I want to make sure the record's clear, it's not true they have an incentive to pay us, the opposite. They don't want to pay us well because they want to avoid getting sued again for their other clients. If they're known as people that pay a lot of money, they're putting a target on their client's back. And the negotiation here was ruthless, Your Honor. We were on the phone. We were -- there were --

THE COURT: You all look badly beaten to me. You

haven't eaten in weeks.

MR. MONTEVERDE: Your Honor, just because we preserve our good looks, that has nothing to do. No, but in all seriousness, Your Honor, this is done by lawyers on both sides, we know what we're doing. And we fight for a living. I have cases where we're appealing, I have cases where we are set for trial, I have cases we have settled, I have cases that I lost. These is what we do. We're not getting paid -- I want Your Honor to give me the entire fee. And giving me the entire fee is not a windfall. It's just what's fair.

And, frankly, I should get paid more, Your Honor. I have authority. And just to make that point, on page 15 of a reply brief talks about it, the Appendix B. Those are civil right cases where it is a fee shifting. That's not the case. This is not a fee shifting. This is a contractual, we have reached an agreement that defendants will pay the fee up to $1,250,000 for all three cases. And we're asking that Your Honor pay it.

And we have expenses. I have a chart. I know my Power Point was not the success I was hoping for. But slide 21 shows Your Honor we spent $37,196.50. That's money out of our pocket. We spent it before we reached an agreement, because that's for filing the case, for financial advisors we retained, for depositions, for travel to those depositions. The deposition I took were in Tampa, Florida, Your Honor.

And just to give you a sense, it wasn't let's go to Florida and make a weekend out of it. I flew into Tampa in the 6:00 a.m. flight. I didn't even go the night before to save money for the clients, so we don't have a hotel charge. I went to a Marriott right inside the airport, so I didn't even pay for a taxi to go to an office. Mr. Mundiya was awaiting me. And we had a room with not even windows, Your Honor, with the deponent there. I conducted the deposition. And both Mr. Mundiya and I rushed back to take separate flights, we actually ended up going to different airports, because we're on the clock. We're working. I have other cases, Your Honor, I'm not here to make vacation out of going to take a deposition. That's how we handled this case. We were very efficient. And yet with that efficiency we still incurred $37,000 out of my pocket that I may never get back.

THE COURT: Thank you, counsel. I need to start a sentencing hearing here in nine minutes. I have heard what I need to hear. I am not prepared to enter the agreement or the order that has been proposed. I will signal counsel that I would expect to enter an approval of the global arrangement provided that the total attorney's fees that were submitted amounted to a million dollars or less. I'll look forward to a resubmittal, ten days, Counsel, and expect to proceed to a conclusion of this on the papers without a further hearing. I know counsel have heard the signal that I have sent. Thank

you.

MR. MONTEVERDE: Okay, sir -- Your Honor. Thank you.

(The proceedings were concluded.)

I, Christine Asif, RPR, FCRR, do hereby certify that the foregoing is a correct transcript from the stenographic record of proceedings in the above-entitled matter.

/s/
Christine T. Asif
Official Court Reporter